

# IPO market set to break May jinx in election year

For 1st time during poll cycle since '04, mkts will see IPO frenzy

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Mumbai, 2 May

‘Sell in May, go away’ is a popular market adage. But ‘Don’t sell any new shares in May’ is the best-kept secret of Dalal Street that’s set to unlock.

Consider this: the last four general election cycles starting in 2004 have not seen a single initial public offering (IPO) launched during the month of May. In general, the April-June period during 2004, 2009, 2014, and 2019 has proved to be moribund for the primary markets owing to election uncertainty. The markets are set to buck the trend this time around, with three mid-sized offerings cumulatively looking to raise in excess of ₹6,000 crore being launched next week.

Investment bankers say they avoid uncertain and volatile market conditions to launch IPOs as investors seek stability. With markets seeing a spike in volatility before the elections, issuers prefer to wait for a few months before going to the market. However, the sharp rebound in the market from March lows, the recent success of Vodafone Idea’s mega follow-on public offering (FPO), and encouraging liquidity have given bankers and issuers confidence this time around.

The IPO by Blackstone-backed Aadhar Housing Finance will be the biggest of the lot at ₹3,000 crore, while those of pharmaceutical biotechnology firm Indegene and the travel distribution platform will be about ₹1,842 crore and ₹1,500 crore each.

“Election is not a big factor anymore this time. More importantly, we are seeing strong domestic inflows, with retail money pouring into the equity markets. This has given issuers the strength to launch IPOs in



## IPOs DURING ELECTIONS

Previous election seasons have been a no-go period for IPOs...

● Amount raised (₹ cr)  
Number of issues in brackets



...but that’s set to change this time

	Sector	IPO date	Size (₹ cr)
Aadhar Housing	NBFC	May 8 to 10	3,000
Indegene	Pharma biotech	May 6 to 8	1,842
TBO Tek	Travel	May 8 to 10	1,500*

Note: \*Estimated; †Up to April 30; The issues are for April to June period of the respective years  
Source: PRIME Database

May. The interest among retail and high networth individual investors is expected to remain high,” said Ajay Saraf, executive director at ICICI Securities. Also, a broader consensus among investors on the regime and policy continuity has lifted sentiment.

“Markets don’t like any turbulence. And if there is any turbulence in the secondary market, then the primary market activity becomes tepid. There has been no certainty regarding who will come to power during the previous election cycles. This time, investors are a lot more surefooted,” said Pranav Haldea, managing director of PRIME Database.

Since their lows in March 2024, the National Stock

Exchange Nifty Smallcap 100 has rallied 20 per cent and the Nifty Midcap 100 has risen 11.2 per cent. Vodafone’s FPO was subscribed 6.4 times, and the issue attracted over 1.1 million applications.

“Given the size of the issue and given the challenges the company has been facing, the kind of response adds confidence. Most of the companies coming with IPOs belong to the small and midcap segment. Any kind of stability in that segment gives a fillip to IPOs,” said Haldea.

Going forward, the interest rate scenario and geopolitical stability will be key factors investors and issuers will track to determine the IPO market trajectory.